

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

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City of Chicago,	)
People of Cook County	)
	)
Petition for Emergency Rulemaking and	)
Expedited Investigation.	)

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Docket No. 00-0789

**INITIAL VERIFIED COMMENTS OF**  
**ILLINOIS POWER COMPANY**

Pursuant to the scheduling order in this Docket, Illinois Power Company (“IPC” or “Illinois Power”) hereby submits its verified comments in the above-captioned case.

**SUMMARY**

In its Petition for Emergency Rulemaking and an Expedited Investigation (“Petition”), the City of Chicago and the Cook County State’s Attorney requested various amendments to Part 280 of the Commission’s Rules. Illinois Power shares the Petitioners’ concerns regarding the impact of this winter’s high natural gas prices on customers. Even before this winter, however, IPC had in place processes that met or exceeded the requests in the Petition. Therefore, this Rulemaking is unnecessary and counterproductive in IPC’s case. Furthermore, although we do not object to an investigation, given IPC’s current practices, any such investigation should be targeted to those companies, if any, for which one is justified.

The Commission should limit any order to appropriate companies rather than potentially have IPC take a step back in the current level of services we provide in this area. If the ICC deems it necessary to amend Part 280, IPC should be exempt from the amendment, as we already meet or exceed the proposed amendments. Our concern is that if one level of service is now mandated, some

might argue that a different (albeit higher) level is not technically compliant. (See, for example, the difference we note in No. 5 below.)

### **COMMENTS RELATIVE TO EACH REQUEST FOR RELIEF**

1. Permit customers to enroll in their budget payment plan at any time of the year. Certain utilities do not allow customers to enroll in a budget plan during certain times of the year.

**Response:** IPC uses the term Levelized Payment Plan (“LPP”) instead of budget payment plan. Customers are permitted to enroll in LPP at any time of the year and have an option to do so on the bill.

2. Permit customers to sign up for a budget plan directly on their bills by providing the alternative of paying either the full amount or the amount that they would pay under the budget plan. Customers would be able to choose to pay the calculated budget plan amount and enroll in the budget plan by simply checking a box on the bill.

**Response:** IPC permits its customers to enter into deferred payment agreements (“DPA”). Initially, however, customers may extend the period of time by which to submit payment for their bill for a short period. This policy allows the customer to pay their bill before the next billing cycle, without penalty. The customer may also enter into a DPA for a period ranging from 3 to 12 months. IPC recovers a reasonable carrying cost for the balance of the bill that is paid over an extended period.

3. Permit customers with past due amounts to enter into short term agreements (“STAs”) to avoid having their gas service cut off. The STAs require customers to pay their current bill plus a portion of their past due amount. Typically, these agreements are for six (6) months. All Illinois natural gas utilities should be required to extend the payment period for their STAs or extended payment plans to at least twelve (12) months, at the customer's option. Petitioners do not object to utilities recovering a reasonable carrying cost for the balance of the bill that is paid over the six-month extended period.

**Response:** IPC currently permits the payment period for short-term agreements to extend beyond 12 months. This is different, however, from levelizing payments over a longer period

(which may in fact hurt customers if two high priced seasons (*e.g.*, winters) are being smoothed with only one low priced season (*e.g.*, summer)).

4. Many utility budget plans stretch payments out for up to twelve (12) months. Utilities should be required to expand the period over which payments are made beyond twelve (12) months. Again, Petitioners do not object to the Commission's authorizing utilities to recover a reasonable carrying cost for balances carried into the extended period in which the customer will incur carrying charges should be at the customer's option.

**Response:** See responses to Nos. 2 and 3, above.

5. At the end of the term of a budget plan, customers are required to pay any underpayments in a lump sum. If the underpayment is greater than \$100.00, customers should be provided the option of (1) entering into a STA to pay that amount or (2) including the underpayment amount in the projected amount used to calculate the month-by-month budget payment for the next term of the budget plan.

**Response:** IPC's LPP does not have a lump sum payment unless the customer leaves IPC's service territory or the service otherwise terminates.

6. Provide a toll-free phone number that customers can call to enroll in a budget plan.

**Response:** IPC already provides its customers with a toll-free number to its Answer Center that operates 24 hours per day, seven days per week.

7. In addition to the emergency Rulemaking, Petitioners ask that the Commission investigate the reasonableness of Illinois gas utilities' budget-billing practices. The objective of this investigation will be to determine whether additional changes to utilities' budget-billing practices should be made in addition to those described above.

**Response:** No investigation is necessary as all of the requested amendments are met or exceeded by IPC.

In summary, Illinois Power has long been concerned with the issues addressed by this proceeding. This is best indicated by the fact that we already meet or exceed the requirements sought in this case. Rather than potentially take a step back to meet the proposed amendments, Illinois Power should be exempt from any amendments.

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Dated: February 2, 2001

## **VERIFICATION**

I, Michelle L. Atkins, being sworn on oath, states that the foregoing Initial Verified Comments of Illinois Power Company are true and accurate to the best of my knowledge, information and belief.

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Michelle L. Atkins

Subscribed and sworn to before me this \_\_\_\_ day of February, 2001.

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Notary Public

## **CERTIFICATE OF SERVICE**

I, Joseph L. Lakshmanan, certify that on the 2<sup>nd</sup> day of February, 2001, I served a copy of Initial Verified Comments of Illinois Power Company by first class mail, from Decatur, Illinois, postage prepaid to the individuals on the service list attached.

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Joseph L. Lakshmanan, Esq.

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